

Clackamas Fire District #1



BOARD OF DIRECTORS' WORK SESSION MINUTES January 20, 2022

ATTENDANCE

Board of Directors: Jay Cross, Chris Hawes, Thomas Joseph, Jim Syring, and Marilyn Wall

Others present: Thomas Bicket, Nick Browne, Clay Buford, Michael Carlsen, Tony Cordie, Steve Deters, Jason Ellison, Heather Goodrich, Tracey Grisham, Izak Hamilton, Shelby Hopkins, Chuck Karlik, Jerry Kearney, Ryan Kragero, Sam McCullough, Dan Mulick, Brent Olson, Shawn Olson, Ariel Roberts, Josh Santos, Jonathan Scheirman, Burke Slater, Brian Stewart, Deidre Toczyski, Scott Vallance, Mark Whitaker, Doug Whiteley, Matt Wiken, Michael Wong, and Stations 1, 14, 16, 17 – Clackamas Fire; Mark Corless and Andrew Gordian – Local 1159; and Jerry Kearney – Volunteer Association

Other community members and citizens were in attendance. The full video conferencing attendance can be provided upon request.

**1. CALL TO ORDER PER ORS 192.610 TO 192.690
ORS 192.650 – The meeting is being recorded.**

President Joseph called the meeting to order at 5:01 pm.

2. PUBLIC COMMENT

None.

3. DISCUSSION REGARDING THE BUDGET FORECAST

Fire Chief Nick Browne explained that the reason for this work session was to give an update regarding the current budget forecast. After the checks came in from the November collection, Chief Financial Officer (CFO) Whitaker discovered a significant financial issue.

CFO Whitaker explained that tonight he will cover the current budget shortfall, some ongoing structural budget issues, plans for the 2022-2023 budget proposal, and the proposed supplemental budget.

He noted that the District has already made several adjustments to tighten the current budget, including many employees forgoing wage increases, increased workload due to consolidated positions, and a smaller materials and services budget. The adopted budget had a \$1.4 million deficit. In December, CFO Whitaker found a discrepancy in the property tax receipts. The adopted budget used the gross assessed value instead of the net assessed value. This created an

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additional \$1.4 million additional deficit in the budget. However, CFO Whitaker doesn't expect the property tax shortfall to be the entire \$1.4 million because he expects the actual collection rate to be higher than the assumed collection rate.

He reported that the certified assessed values came to be 3.75%, which is lower than the projected 4% with a net assessed value of \$25.3 billion. He went over varying collection rate scenarios, which would affect the expected revenue and amount of shortfall. It's not clear what the total property tax collection will be until June.

CFO Whitaker then presented on Operational (Ops) Replacement. He expected Ops Replacement to exceed the budget by about \$2.5 million. He went over several reasons why it was trending high.

In total, since the budget was adopted, these developments have now created an additional \$2.15 million deficit in addition to the \$1.4 million deficit in the adopted budget. There were some revenues that came in higher than expected which also factored into this.

President Joseph asked if there were grants or anything CFD could apply for to help with the increased pandemic costs. Fire Chief Browne said the American Recovery Act did not include special districts. CFD maximized the CARES Act for PPE. He went on to explain other grants that they can seek out and others that they have applied for.

CFO Whitaker then presented on structural issues and planning for FY22-23. Based on his estimates, the District's cost of operations will exceed the available resources every year going forward. He noted that assumptions and trends are always changing, and this is just an estimate. He explained the assumptions he used to create the forecast.

He moved on to explain the FY 2022-2023 budget recommendations. He understands that the Budget Committee did not want to approve deficit budgets year after year. Knowing that, at a minimum, the District should implement ongoing, structural changes of \$3 million when adopting the FY 22-23 budget.

Director Syring asked what they have currently in reserves. CFO Whitaker said it was about \$14 million.

President Joseph asked what happened to CFD's investments. CFO Whitaker responded that there weren't any investments per se, but they do have their revenues with the LGIP.

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CFO Whitaker presented the overview of the proposed supplemental budget showing some of the immediate solutions that were implemented to help with the budget shortfall. The full supplemental budget will be presented at the next regular board meeting.

Fire Chief Browne said that over the next few weeks, their priority will be to implement short- and long-term strategies. Their number one priority is still the people of CFD. They are going to build a sustainable model for CFD.

Local 1159 Shop Steward Gordian and Local 1159 President Corless said the union is committed to helping find solutions.

Volunteer Association Interim President Kearney said he has some ideas to help with the deficit and he will give those to Fire Chief Browne.

Fire Chief Browne and the leadership team all voiced their commitment to working together to forge a path forward.

4. ADJOURNMENT

The meeting was adjourned at 6:08 pm.

Minutes recorded by Program Specialist Tracey Grisham and prepared by Administrative Technician Jessamyn Ode

Thomas Joseph
Thomas Joseph (Mar 1, 2022 18:31 PST)

President Thomas Joseph

James E Syring
James E Syring (Mar 2, 2022 08:54 PST)

Secretary James Syring









1-20-2022 Work Session Minutes FINAL

Final Audit Report

2022-03-02

Created:	2022-03-01
By:	Ariel Roberts (ariel.roberts@clackamasfire.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAApT7aKdwWm5OIC5jrkhvpF3vMKca7fjRt

"1-20-2022 Work Session Minutes FINAL" History

-  Document created by Ariel Roberts (ariel.roberts@clackamasfire.com)
2022-03-01 - 5:22:19 PM GMT
-  Document emailed to Thomas Joseph (thomasjosephinc@gmail.com) for signature
2022-03-01 - 5:24:55 PM GMT
-  Email viewed by Thomas Joseph (thomasjosephinc@gmail.com)
2022-03-02 - 2:31:11 AM GMT
-  Document e-signed by Thomas Joseph (thomasjosephinc@gmail.com)
Signature Date: 2022-03-02 - 2:31:39 AM GMT - Time Source: server
-  Document emailed to James E Syring (james.syring@clackamasfire.com) for signature
2022-03-02 - 2:31:40 AM GMT
-  Email viewed by James E Syring (james.syring@clackamasfire.com)
2022-03-02 - 4:54:27 PM GMT
-  Document e-signed by James E Syring (james.syring@clackamasfire.com)
Signature Date: 2022-03-02 - 4:54:48 PM GMT - Time Source: server
-  Agreement completed.
2022-03-02 - 4:54:48 PM GMT